

CAPITAL PROJECTS ADVISORY REVIEW BOARD
Data Collection Subcommittee
Get On It Conference Room, Kilroy Building, SeaTac
January 6, 2006, 1:00 – 3:00 p.m.

Draft Minutes

Name	Organization	Phone	e-mail
<i>Subcommittee Members</i>			
Darlene Septelka (Lead) Present	King County	206-296-1308	darlene.septelka@metrokc.gov
Carolyn Crowson Present	OMWBE	360-753-9679	carolync@omwbe.wa.gov
Paul Szumlanski Present	General Administration	360-902-7271	PSzumla@GA.WA.GOV
Rep. Kathy Haigh Absent	State Representative – District 35	360-427-2028 (Shelton) 360-786-7966 (Olympia)	Haigh.kathy@leg.wa.gov
Ed Kommers Absent Note: Mark Grugen attended for Ed Kommers Note he will be Ed's Representative on this Committee Present	Specialty Contractor Mechanical Contractors Association	206-442-9029 Mark's Phone 206-442-9029	ekommers@comcast.net Mark's email markmcaww@qwest.net
Michael Transue Present	Association of General Contractors	253-223-2508	cmjtransue@comcast.net
Alan Nygaard Present	University of Washington	206-221-4217	anygaard@u.washington.edu
Steve Goldblatt Present	University of Washington	206-685-1676	bconbear@u.washington.edu
Teresa Rodriguez Present	City of Seattle	206-684-0156	Teresa.rodriguez@seattle.gov
Steve Masse Present	Office of Financial Management	360-902-0576	Steve.Masse@OFM.WA.GOV
<i>Other Attendees</i>			
Tom Peterson	Hoffman Construction	206-286-6697	
Nancy Deakins	General Administration	360-902-8161	deakink@dshs.wa.gov

Scribe: Searetha Kelly

Introductions

All attendees

Review of Minutes from the Last Meeting

Minutes from the December 2nd meeting were approved.

Chairperson's Comments

We need to look at where we want to go in the next year.

- What agencies are using GCCM and Design Build projects)?
- Each agency knows what they are doing, but it is not in a central location
- How will at least the minimal data/information be collected?

Private Sector Update

Ms. Crowson gave a short update. We need to look at what they collect and how they measure success. She spoke with Bank of America, which has a scorecard for their construction projects. She also contacted Mark Conway with Washington Mutual; he is willing to share information after he returns from being out of town.

Ms. Septelka spoke to Boeing and they might have an individual interested in this subcommittee. The Boeing contact will be attending the next meeting and share information with us. It was discussed that it would be advantageous to have a private industry member for this subcommittee.

Mr. Transue stated that the information he sent out prior to the holidays received no responses. He resent it out recently. There are five large companies (we need to get to the technical and on the ground staff) that use GCCM. We need to look for the right people.

Ms. Septelka said that others should also work on getting someone here to talk (from private industry).

Mr. Gruen stated that for the type of project (shell core building or high tech) his members measure performance by cost per square foot.

Office of Financial Management (OFM) Update

Mr. Masse reported on OFM data reporting system. OFM just went through a self-analysis as a result of the JLARC Study. Part of it involves data collection and trying to figure out the best interface with agencies. It can be hard to use data because it can be embedded in a Word document. C100s - budget sheet that agencies fill out to start building their budget. It is an Excel spreadsheet that is a stand alone document. It can be hard to glean out cost performance schedules, etc... Often major project reports come to us in different forms and formats. We receive these twice per year. We run benchmarks and matrix.

Ms. Deakins said that the C100 identifies GCCM or Design Build (identifies cost only) there is no consolidated listing.

Mr. Masse details such as: project detail and cost and other detail come from the C100. We have \$500,000 to begin work on the online system and that the dream system would include: data for major project reports are updated on a six-month frequency. It would be an online database collection that would allow Design Build or GCCM cost comparisons.

Mr. Masse will bring a report to the next meeting. Providing an updated report showing: how project is going; explaining where projects are; cost escalations. The C100 is a tool/check off for an agency. You can go through it and make sure the costs are appropriate. You can then send it back to the agency if something needs adjusting. It was also noted that General Administration (GA reviews the C100s for the OFM. The OFM plans on developing a system. We have requested \$500,000 (through the Supplemental) from the Legislature to get started. We are also looking at how other states are collecting data. The COPs have a different approval path and method. OFM does not plan on taking on the larger aspects.

Ms. Septelka asked if OFM would collect data on all some projects. Mr. Masse stated that the system would be design only for state projects, thus it could not be utilized as a general data/information system as recommended by the JLARC Study.

Mr. Masse said that OFM would be willing to look at adding benchmarks to their system that were recommended by CPARB and OFM was willing to work with this subcommittee in developing them.

Ms. Crowson stated that they use the CMAX System: Supplier diversity, selecting contractors. It is a licensed for state projects. It is currently being used to add local jurisdictions. Would like to phase OFM system into it. Just received permission from OFM to make it mandatory for state agencies. It is now rolling out into larger agencies.

Ms. Septelka will report information to the regular CPARB on January 12th regarding: (1) OFM developing a system to collect state data (only for state projects), but leaves out the cities, counties, etc...

Data Collection Discussion

Ms. Crowson said that OMWBE is on revolving funds and don't want to feed the system and get bills from our agency.

Ms. Rodriguez asked what form (clear way) to get a description of what data needs to be collected? The method/format to answer questions that don't put an undue burden on staff. It is easier to build project scheduling in the beginning.

Ms. Septelka asked long or short term? Should we be collecting data at three years? Will the system be in place forever?

Mr. Nygaard said that any project that is more than \$10 million last more than three years. If there is a standard set of issues we can start at the beginning. Then we can have a long tracking of the effort. We don't want to benchmark against projects (the details are so different). We cannot compare a prison project with a hospital project.

Ms. Septelka stated that there were issues with cross measurement by building type. For the past study of 104 projects total there projects by building type were statistically low to mean something.

Mr. Szumlanski asked is GCCM less or more expensive than Design Build? We need to look at projects close enough to each other to draw some conclusions.

Mr. Goldblatt said that the next renewal is important and is there an expectation of collecting data/information for determination of renewal.

Ms. Septelka discussed limiting project size for collecting data and how many projects over \$10million are contracted as design-bid-build.

Ms. Rodriguez said that anything over \$10 million typically goes to an alternative method.

Mr. Goldblatt said that K-12 do substantial amounts of traditional work.

Mr. Gruen said that once you get enough data it starts to mean something. Over time we have to start tracking data sooner rather than later.

Ms. Crowson stated that reauthorization is looking at the threshold.

Mr. Transue asked does the \$10 million level really bear on anything? Notion to not have \$10 million anymore? What sophistication are you requiring of the owners?

Ms. Septelka said that we could:

- Bench mark against Design-Build
- Don't know if we will answer what the Legislation wants to here (comparison to design-bid-build)

Mr. Transue said that K-12 and jails are the only entities to possible benchmark with design-bid-build projects. Pierce County and DOC Facilities (in rural type areas) and County Jails in urban areas.

- Project quality better?
- Project cost less?
- Project shared risk and done appropriately?
- Project complexity (scheduling, same site?) issues? What benchmarks do we have?

Mr. Transue said to focus on unanswered things in the JLARC report.

Ms. Septelka said that we can benchmark within. We can collect data (schedule: start, finish, budget vs. final). We have to be careful how you collect data, must be defined by what we mean when we collect the data. This group can define what needs to be collected.

Ms. Deakins said that this subcommittee should make recommendations to the main CPARB committee.

Mr. Transue stated that we should have a mega review approval body (as discussed in Reauthorization Subcommittee Meeting yesterday). If you create this animal, you better fund it. The responsibility is to: house, collect and keep/hold.

Mr. Goldblatt said that it must be a continual exercise. It should be part of the normal routine.

Mr. Masse said that assets information for different facilities. OFM wants to improve its system.

Mr. Transue said that it is difficult to collect and maintain the data. It has to be something that will be in place for forever.

Ms. Septelka said that we are coming up with main areas to dig into it. Handout was shared from the JLARC study used to assess the case studies collected. This handout is a good start for scope and

quality. Per Mr. Goldblatt it also has subjective questions. Ms. Septelka said that the handout is 2 or 3 mgs that can be downloaded. Can break it down into project elements. GCCM is also impacted by the design, should we collect data on design performance. The committee was asked:

- Are there any suggestions on how we can proceed?
- Should we review the studies and then share suggestions?

Ms. Crowson reminded us that the full Board asked us to set deadlines on when to share the data elements.

Ms. Septelka said that we are tasked to come up with benchmarking elements.

Mr. Nygaard stated that we need to have a subjective evaluation of the criteria:

- 1 to 10 scale gradience
- Detail will be pulling teeth (no quick response)
- Roll On Issue – lets develop key areas/points and standardize the pieces of information
- Quality, needs and demands of the facility
- Here is your standardized way to report this and this is what you get out of this – the ability to show the benefits to them.

Ms. Septelka asked is it the intent of CPARB that we collect data this year? Isn't the intent that we define the system to collect data? This committee would make recommendation of data elements and move forward.

Mr. Transue said that we need to discuss this at the January 12th main CPARB meeting. The report is a time consuming issue. Who is collecting the data? The JLARC report data is inconclusive.

Ms. Rodriguez said that the JLARC report collected huge amounts of data.

Ms. Septelka said that we cannot compare two different projects. We need a form for consistent collection of data (unfortunately, our answers from individuals were not consistent).

Ms. Deakins stated that we need to focus back on what our real task is.

- **Finding 3, Recommendation 3A, page 37** of the JLARC/GCCM Final report:
 - The Capital Projects Advisory Review Board (CPARB) should, in consultation with OFM, develop standardized statewide performance indicators and benchmarks for all major public works projects. At a minimum, the measure should allow basic comparisons of project performance by type, scope, cost, schedule, quality, and contracting procedure.
- **Finding 3, Recommendation 3B, page 37** of the JLARC/GCCM Final report:
 - Project performance data used to evaluate the case study projects should be collected for state and local projects to form a portfolio of projects.

Ms. Crowson stated that Rep. Haigh wants a system set up.

Mr. Szumlanski stated that Chairman Lynch wants something collected within the next year.

Ms. Septelka said that we need to get this cleared up.

Mr. Goldblatt stated that we need an oversight/central place for efficiency of the alternative methods.

Mr. Transue stated that the Legislature needed some oversight. Is this the correct or incorrect public policy? To analyze/provide and the alternative methods go away at the end of 2007?

Ms. Deakins said that we are to hash out the details, pilots, etc...

Ms. Septelka asked:

- Is the timeline they asked for (study/report) done this year?
- Look at the reports already done and pull out the elements that are needed.
- What depth of data do we need to collect (to make it good public policy)? We have to ask owners, GCCM, Subcontractors and Contractors. We also need to collect data from contractors that didn't win

Mr. Peterson said that there is no succinct list:

- Owners fill out responses
 - Contractors fill out responses
- (they both look at it differently and we will get a variety of answers. How do you get to the right questions to ask questions)?

Mr. Goldblatt asked how do you get competencies? Losing ability to compare to the traditional way?

Mr. Peterson stated that different teams have different jobs. Square footage can be:

- Medical vs. Biotech (what is in the building)?
- Library vs. another type of building
 - What is the cost per square cubic feet?
 - What is in the budget?
- Projects will always get done. It is a matter of cost.
- GCCM vs. hard bid (what we look at. Want to be on this side of the fence)
- Budget starts project
- How did it finish up?
- Was it on schedule (old days vs. how it is now)

Ms. Septelka (not captured/figured in)

- Cost savings
- Raw construction costs

Mr. Nygaard said that we cannot make competition between Design Build and GCCM. What will meet the public facilities demands? One contracting method will meet demand better than the other? Quit comparing contracting methods (easier to define). Always more demand (some use of speculation) than resources.

Ms. Rodriguez asked what did you do with you excess contingency?

Ms. Deakins said that some add or cut scope and some add it back.

Mr. Nygaard asked are we getting our money's worth?

Mr. Gruen said that we should look at each project individually to see if it is successful or not. We should not get into the paralysis of analysis.

Ms. Septelka said that the Board wants a comparison study. We can quit comparison and have project meeting elements to be successful.

Mr. Transue state that we need to get back to the JLARC Study – Finding 3: Recommendation 3B of the Final JLARC Study.

Ms. Septelka will present the committee concern this coming Thursday at the regular CPARB Meeting. Next month we will look at the benchmarking elements. We need to develop element to benchmark GCCM and Design Build project and bring them into the next meeting. It will take a couple of months to develop the elements and could have our recommendation to CPARB by May 2006. It is our understanding that we are not collecting data for the 2007 Sunset.

Mr. Transue said that our charge here is after reauthorization:

- What data do we mandate to be collected? Make it available to the public
- What are those five to 50 things to track to use these alternative methods?

Mr. Gruen stated: The simpler, the better, and easier to analyze

Mr. Goldblatt we do benchmarking (all types of contracting methods). The notion of competencies does not cut it.

Mr. Transue said that we should allow for possible competencies.

Ms. Septelka said that we only want to look at \$8 to \$10 million threshold for projects

Mr. Nygaard stated we should stick with major project. Also, use one definition (\$5 million - statute, major project per OFM).

Meeting Summary

Ms. Septelka wrapped up the meeting:

1. Need clarification from CPARB this Thursday if it is the Boards intent for data collection and a report in 2006
2. Review the Dye Management Group, Inc. Study for benchmarking elements
3. Review the two studies she and Mr. Goldblatt authored for benchmarking elements
4. Update the spreadsheet, Page 2, December 2, 2005 Data Collection Subcommittee Meeting Minutes
5. Invite private owner to next meeting, she will hopefully have someone from Boeing attending the next meeting
6. Mr. Transue will bring his assignment to the next meeting
 - Certified vs. formal claims

Meeting Adjournment

The meeting was adjourned at approximately 2:00 p.m.